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Northern Lines - Railroad Merger

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each year; a loss our country should not and cannot continue to bear.

Private interests have done much concerning weed control, however their fight against this agricultural menace is only one-half of the picture. Federal agencies are responsible for the management of about 1 billion acres of public land; land closely associated with private land used for crop production, grazing, and forestry.

Most of the public land is infested with one or more species of weeds, more than 10 million acres classified as noxious. Many States have enacted noxious weed control laws, however, State programs are ineffective unless noxious weeds are controlled on public lands.

The losses caused by weeds on privately owned lands cannot be reduced unless weed on federally managed public lands are controlled. Weeds on public lands and nonagricultural lands are a constant source of reinfestation of privately owned farm lands. Annual reinfestation increases the cost of control by all methods. The burden becomes endless for those who produce our Nation's food and fiber supply.

The loss to farmers is only a part of the total picture concerning the national weed menace. Many acres of public land are infested with poisonous plants. In many of our national parks, poison ivy, poison oak, and other poisonous plants are a menace to many unsuspecting persons seeking recreation. Each year poison ivy, poison oak, and similar plants cause nearly 2 million cases of skin poisoning and other skin irritations, all of which adds up to an annual loss of 333,000 working days. In addition, these poisonous weed plants cause 3.7 million days of restricted activity and one-half million days spent in bed. We do not have statistics on the reduced efficiency, cost of medical care, and other information related to losses caused by ragweed and by other weed pollens to which hundreds of thousands of people are allergic. Weed pollens are a constant and expensive irritation to thousands of citizens who suffer from allergies.

I would like to stress that today's modern technology can provide us with the means of effectively winning the war against weeds. Recent advances in chemical and nonchemical weed control technology make it possible to control weeds effectively, safely, and economically on federally managed public lands.

We can win the war against noxious and other weeds that pose such a serious threat to health and agriculture. We must provide adequate authority and the resources needed to accomplish this important objective.

I would also like to insert in the RECORD two resolutions that expressly point out the importance of weed control; the resolution adopted by the National Association of State Departments of Agriculture and the resolution adopted by the Western Governors' Conference. Both resolutions demonstrate the growing national awareness over the need for action concerning noxious weed control. I ask unanimous consent that these two resolutions and a copy of the bill be printed in the RECORD.

There being no objection, the two resolutions and the bill were ordered to be printed in the RECORD, as follows:

RESOLUTION XXII—PLANT INDUSTRY: WEED CONTROL ON FEDERALLY OWNED LANDS

Whereas, the American farmer has been beset by continually increasing production costs in producing a bountiful food supply for the American public as well as a large part of the world; and

Whereas, noxious weeds and especially the perennial type annually cut production of crops a considerable amount; and

Whereas, the farmer through assessment in weed districts and personal expense has expended almost prohibitive sums of money in attempting to control and eradicate perennial weeds; and

Whereas, especially in our mountainous areas of the western states much of the land on the upper reaches of our rivers is federally owned; and

Whereas, much of this type of federal land is not easily accessible and is difficult to treat for perennial weed control and eradication; and

Whereas, the seed from perennial weeds on the upper reaches of our rivers is carried downstream and reinfests areas upon which private and public funds have been expended and negates much of the progress made in weed control; Therefore be it

Resolved, That The National Association of State Departments of Agriculture in convention assembled in Atlanta, Georgia, October 1-5, 1967, through its Board of Directors, lends its support to legislation now before the Congress to appropriate necessary funds that will enable the treatment of federally-owned lands for weed eradication and control; and be it

Resolved further, That The National Association of State Departments of Agriculture requests the Agricultural Research Service of the U.S. Department of Agriculture to increase its activities in the field of research on chemicals and methods to control perennial weeds on the upper reaches of our rivers.

VII. NOXIOUS WEED CONTROL

(Resolution adopted by 1967 Annual meeting Western Governors' Conference, June 28, 1967, West Yellowstone, Mont.)

Whereas, Noxious weeds are a problem in all states of the United States and it is difficult for states individually to control noxious weeds without interstate cooperation; and

Whereas, A large part of the land in many states is controlled by the federal government and therefore federal cooperation is essential to effective weed control; and

Whereas, Noxious weeds do invade the states from other states and foreign countries; and

Whereas, The United States Department of Agriculture is limited in its authority of noxious weed control to the protection and improvement of future productivity of range lands;

Now, therefore, be it resolved, By the 1967 Annual Meeting of the Western Governors' Conference at West Yellowstone, Montana, that the Secretary of Agriculture be urged to obtain a noxious weed control law affecting federally-owned lands.

S. —

A bill to provide for the control of noxious plants on land under the control or jurisdiction of the Federal Government.

Be it enacted by the Senate and house of Representatives of the United States of America in Congress assembled, That the heads of Federal departments or agencies are authorized and directed to permit the commissioner of agriculture or other proper agency head of any State in which there is in effect a program for the control of noxious plants to enter upon any lands under their

control or jurisdiction and destroy noxious plants growing on such land if—

(1) such entry is in accordance with a program submitted to and approved by such department or agency;

(2) the means by which noxious plants are destroyed are acceptable to the head of such department or agency; and

(3) the same procedure required by the State program with respect to privately owned land has been followed.

SEC. 2. Any State incurring expenses pursuant to section 1 of this Act upon presentation of an itemized account of such expenses shall be reimbursed by head of the department or agency having control or jurisdiction of the land with respect to which such expenses were incurred: *Provided*, That such reimbursement shall be only to the extent that funds appropriated specifically to carry out the purposes of this Act are available therefor during the fiscal year in which the expenses are incurred.

SEC. 3. There are hereby authorized to be appropriated to departments or agencies of the Federal Government such sums as the Congress may determine to be necessary to carry out the purposes of this Act.

"NORTHERN LINES" RAILROAD MERGER DECISION DUE SOON

Mr. MANSFIELD. Mr. President, yesterday morning, when I picked up the Wall Street Journal, I was quite concerned to read an article reporting that the Interstate Commerce Commission was planning to reverse its 1966 decision and approve the consolidation of the Great Northern, Northern Pacific, Burlington & Spokane, Portland & Seattle Railroads.

The Montana congressional delegation has opposed this plan for many years, and, insofar as my Senate colleague, Senator METCALF, and I are concerned, we will still oppose the merger. In our estimation there is no need or basis for the consolidation and would be an economic blow to the State of Montana.

Yesterday, Senator METCALF and I addressed a strong letter to the Chairman of the Interstate Commerce Commission which I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MANSFIELD. Mr. President, in addition, I ask unanimous consent to have the November 15 article published in the Wall Street Journal printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HIGHBALL FOR SIX RAILROADS: ICC SEEN VOTING "NORTHERN LINES" MERGER; DECISION, DUE SOON, WILL REVERSE 1966 RULING

(By Todd E. Fandell)

CHICAGO.—The Interstate Commerce Commission, reversing a ruling it made 19 months ago, has decided to approve the long-pending "Northern Lines" merger, it was learned.

The commission hasn't yet taken its final and official vote, but approval of a lengthy staff-prepared report in favor of the merger is expected to be a formality, it is understood. Announcement of the decision is expected shortly, possibly within less than a week and almost certainly before the end of November, industry sources say.

The merger would create a mammoth 26,500-mile rail system (see map) stretching

from Chicago to the Pacific Northwest coast and from the Canadian border to the Gulf of Mexico. It would exceed in rail mileage even the system to be formed by the pending merger of the Pennsylvania and New York Central railroads.

The big system would unify three major carriers: The Great Northern and Northern Pacific railways and the Chicago, Burlington & Quincy Railroad. The latter road is jointly controlled by the two Northern Lines. Also included in the system would be three lesser roads already controlled by the others: The Spokane, Portland & Seattle Railway, Colorado & Southern Railway and Fort Worth & Denver Railway.

In 1966, the six roads involved had combined operating revenue of \$853,000,000 and net income of \$96,700,000, although these figures aren't on a consolidated or pro-forma basis.

COURT TEST LIKELY

Approval of the merger, in the opinion of most analysts of the nation's muddled railroad-merger picture, will remove what could have been a major impediment to the merger ambitions of a flock of other Western railroads. In its 6-to-5 ruling in April 1966 against the Northern Lines, the commission had taken one of its few relatively recent steps to impede the progress of merger movement and raised issues of concern to other strong Western railroads with merger plans of their own.

The current effort to merge the Northern Lines and their affiliates dates back to 1956, when managements of the two parent companies first announced merger studies were under way. Clearance by the ICC 11 years later, while a key step, won't signal a clear track and make consummation immediately possible, sources say. Officials of the roads remain hopeful they can be united early next year, but the prevailing view among close observers is that, like most railroad mergers, this one still faces a test in the Federal courts.

Candidates among the opposition most likely to take the case to court are the Justice Department and the Denver & Rio Grande Western Railroad. Other opponents remain, such as a Northern Pacific shareholders committee and certain state government agencies, but they aren't considered likely to carry opposition further on their own. It's possible they would join any court fight instigated by the two primary opponents, however.

Justice Department sources decline any comment on the likelihood of an appeal. The department has been active, however, in proceedings following the Northern Lines' request last year for reconsideration of the original ICC ruling.

G. B. Aydelott, president of the Denver & Rio Grande, says that road will have to study the ICC's report, assuming it is favorable to the merger, before deciding on an appeal. It is expected, however, that the road will appeal unless the commission includes some unexpected surprises in the way of conditions to be attached to the merger. The Denver & Rio Grande wasn't active in the Northern Lines merger case prior to the first ICC decision, but it has since expressed serious concern over possible approval in the light of later merger developments among Western railroads. It believes the Northern Lines merger will touch off a "falling domino effect" by leading to approval of other mergers, to the detriment of the Rio Grande.

A court fight over the ICC's expected decision would delay completion of the merger, assuming it also receives an approval from the courts, for another year or possibly as much as two years, according to close observers.

NO ICC COMMENT

ICC Chairman William H. Tucker declined comment on the report the merger had been approved, strongly emphasizing that no of-

ficial vote has yet been taken by the commission. While preliminary "straw votes" on pending decisions are made for guidance purposes only in the preparation of a report by the staff, such indications aren't binding and an official decision isn't made until a formal vote is taken at a commission conference just prior to release of a decision. This step hasn't been taken yet in the Northern Lines case. Mr. Tucker and other ICC sources asserted.

Reports that the decision was imminent and favorable have been circulating in the rail industry for several months. "Everybody has simply been assuming this was coming and that it would be favorable," says the chief executive of one big road that isn't involved directly. Reopened hearings in the case were held last March, and oral argument before the full commission took place last June. Later in June, Chairman Tucker, who last week announced he would leave the ICC at the end of the year, said he expected the decision before the end of the summer. In late August, it was still expected shortly after Labor Day.

But a series of subsequent delays postponed the decision several times since early September, leading to some concern on the part of Northern Lines officials. The delays, however, are understood to have been largely the result of ICC staff time required in dealing with new developments and problems in such areas as the Eastern railroad-merger situation. Also contributing to the delays, it's felt, is the commission's desire to fortify legally the grounds for reversing itself as strongly as possible, particularly in the face of possible continued Justice Department opposition.

TOUGH PROBLEM FOR PANEL

Reversing the 1966 decision has been a tough problem for the ICC to wrestle with. With one exception, there have been no new material developments of great significance directly involving the concerned roads. The exception was an agreement reached among the Northern Lines, the Chicago & North Western Railway and the Chicago, Milwaukee, St. Paul & Pacific Railroad. The latter two roads would be those most likely to be harmed by the merger. In return for certain traffic conditions to which the Northern Lines agreed (they had previously been opposed), the two roads withdrew any further opposition. The Northern Lines also agreed it wouldn't oppose the proposed merger of the North Western and Milwaukee if their own merger is approved.

Another important development, though it wasn't directly related, was consummation last year of the merger of the Seaboard Air Line and Atlantic Coast Line railroads. Like the Northern Lines, that merger involved the union of financially strong and competing systems. The merged system, known as the Seaboard Coast Line, survived a strong Justice Department attack in Federal courts that followed lines similar to those the agency would be expected to use in an appeal from a Northern Lines decision. The Supreme Court's ruling supporting the ICC in the Seaboard Coast Line case is said to have strengthened the commission's view that anticompetitive aspects of rail mergers needn't prevail in considering the overall public interest.

Other factors believed to have some bearing in the commission's expected reversal include criticism that its earlier decision hurt the whole merger movement. Also bearing on the case is a sharp decline in the financial condition of the rail industry this year, which has sharpened industry views on the necessity of mergers to preserve the vitality of the rails. Another development was an apparent lessening of the political pressures that are believed to have been a major factor in the first decision. Also, the Northern Lines themselves made peace with

a number of previous opponents, including labor groups.

Approval of the Northern Lines merger is expected to insure a similar go-ahead from the ICC for the North Western-Milwaukee Road merger, rail industry sources say. That case is nearing completion of hearings before an ICC examiner and won't reach the decision stage before the full commission for more than a year, perhaps two.

Terms of the proposed merger call for each share of Great Northern stock to be exchanged for one share of common stock and half a share of new 5.5% \$10-par preferred stock of a new company, tentatively known as Great Northern Pacific & Burlington Lines. Northern Pacific holders would receive one share of the new common for each of their shares. The railroads are known to be seeking a different name for the merged company.

The terms were agreed upon in July 1960 and approved by shareholders in the spring of 1961. Hearings before an ICC examiner were held in 1961 and 1962 and an examiner's report recommending approval was issued in August 1964. After the commission's adverse decision, announced in April 1966, the three roads petitioned for reconsideration in July 1966. The ICC agreed to reconsider the plan last January.

In its 1966 decision, the ICC estimated the merged system could achieve annual savings of \$25,487,415 before Federal income taxes, but the lines themselves currently estimate the figure at more than \$40,000,000. In addition to ranking first in mileage, the merged system would be among the top three or four railroads in assets, revenue and earnings.

EXHIBIT 1

U.S. SENATE,

OFFICE OF THE MAJORITY LEADER,

Washington, D.C., November 15, 1967.

HON. WILLIAM H. TUCKER,

Chairman, Interstate Commerce Commission,
Washington, D.C.

DEAR MR. CHAIRMAN: The Wall Street Journal reports this morning, "ICC Seen Voting 'Northern Lines' Merger's Decision, Due Soon, Will Reverse '66 Ruling." This report concerns us greatly. We have opposed the consolidation of the Great Northern, Northern Pacific and Burlington Railroads. We continue to object. Such a plan can only be harmful to the people of Montana and the Northwest.

If this report proves to be accurate, the Interstate Commerce Commission is placing itself in a position of subscribing to a railroad industry policy of retreat and withdrawal of services. We know of no compelling reason why the situation has changed since 1966. The approval of this consolidation of financially sound railroad companies would be a serious blow to the economy of the Northwest. The merger would place the largest segment of public surface transportation in the hands of a monopoly, without any guarantee against future service deterioration, abandonment and withdrawal.

Not only are we concerned for Montana, but we feel that the approval of this merger will have national implications of a far reaching nature. We seek assurances from the Commission in this matter.

With best personal wishes, we are,

Sincerely yours,

MIKE MANSFIELD,

U.S. Senator.

LEE METCALF,

U.S. Senator.

THE OKINAWA-BONIN QUESTION—PRIME MINISTER SATO'S VISIT TO UNITED STATES

Mr. MANSFIELD. Mr. President, on yesterday, the distinguished Prime Minister of Japan, Eisaku Sato, addressed